



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt  
Governor

Lowell P. Braxton  
Division Director

July 21, 1998

Paul Spor  
Executive Director  
Tintic Utah Metals, LLC.  
15988 Silver Pass Road  
P.O. Box 51  
Eureka, Utah 84628

Re: Submittal of Replacement Surety Bond, Tintic Utah Metals, LLC., Apex/Burgin Mine,  
M/049/009, Utah County, Utah

Dear Mr. Spor:

On July 2, 1998, the Division received Tintic Utah Metals, LLC's (Tintic) replacement surety bond for the Apex/Burgin mine. Frontier Insurance Company has issued surety bond #123385 in the amount of \$350,000. This surety bond will effectively replace Sunshine Mining Company's recent surety bond # BCA issued by Travelers Casualty and Surety Company for this project.

Tintic's new surety is categorized as an *interim* reclamation surety. It is intended to cover all existing surface disturbances at the mine and will remain in place until we grant final approval of Tintic's latest large mine permit application. A new reclamation surety amount will be calculated for Tintic's revised permit application as part of the Division's formal review process. Once we reach a tentative approval decision on the application, the surety amount may need to be adjusted accordingly.

On July 20, 1998, we received a written commitment from Tintic assuming full responsibility for Sunshine Mining Company's current Apex/Burgin Mine permit and all of the associated reclamation obligations. Our receipt of Tintic's replacement interim reclamation surety bond and your July 17, 1998 follow up letter will now allow us to release and return Sunshine's surety bond. Tintic Utah Metals, LLC is now recognized as the party/operator responsible for continued mining and reclamation of the Apex/Burgin project.

As you know, we cannot complete the processing of the large mine permit transfer form (MR-TRL), until a complete Reclamation Contract Agreement (Form MR-RC) has been received and approved by the Board of Oil, Gas and Mining. In reviewing the permit transfer form included with your June 1997 revised permit application, we recently noted that page 3 of 6 was missing. This is the page that the transferor must sign and notarize. Because we have made more recent minor revisions to this form, we ask that you please have a new transfer form signed and returned to this office to replace the form presently on file. A copy of the more recent transfer form is attached for your convenience.

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We await Tintic's response to the Division's March 16, 1998 initial deficiency review comments. A Reclamation Contract Agreement (Form MR-RC) will need to be completed and returned once we reach the tentative approval stage and determine the final reclamation surety amount. We have enclosed a copy of this form with guidelines for completion. If you have any questions on completing the form, please call me at (801) 538-5286 or Joelle Burns at 538-5291.

Thank you for your patience and assistance in completing this permitting process. We look forward to receiving your response to our latest technical review and completing the permitting process of your large mine application in the near future.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb  
Enclosure: MR-TRL, MR-RC & guidelines  
cc: Tom Gast, Environmental Management Services  
Allan Young, Sunshine Mining Company  
M049009.rc